

IN THE UNITED STATES DISTRICT COURT OF  
FOR THE WESTERN DISTRICT OF OKLAHOMA

SEAN SMITH and CRYSTAL  
SMITH,

Plaintiffs,

VS 

CSAA FIRE & CASUALTY  
INSURANCE COMPANY,

Defendant.

Case No. 5:17-cv-1302D



DEPOSITION OF CHAD WHITE HECKMAN  
TAKEN ON BEHALF OF THE PLAINTIFF  
IN OKLAHOMA CITY, OKLAHOMA  
ON OCTOBER 23, 2018

REPORTED BY: SUSAN J. FENIMORE, CSR, RPR



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1 there's an estimate that's created about what the  
2 company's potential liability could be on the claim,  
3 right?

4 A Say that again.

5 Q There's an estimate for what the potential  
6 liability for the insurance company could be on that  
7 particular claim, right?

8 A You saying liability, I guess we're just --

9 Q You have issues with the word liability.  
10 Let me ask it again. You're essentially writing an  
11 estimate that is what the company could potentially  
12 owe the insured on that specific claim.

13 MR. ANDREWS: Object to the form.

14 THE WITNESS: I'm not writing an estimate.

15 Q (By Mr. Engel) Well, that's what a reserve  
16 is.

17 A I guess --

18 MR. ANDREWS: Object to the form.

19 THE WITNESS: -- we are opening up reserves  
20 for I guess potential payments and just so that  
21 they're available and set.

22 Q (By Mr. Engel) Sure. And if you have a --  
23 if you have a claim where you look at and you're  
24 like, well, this is a hundred thousand dollar roof,  
25 you know, you've got to set the reserve at a hundred

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1 thousand dollars so the company understands that --  
2 you know, even if you're not sure yet, this is --  
3 potentially could be this much money, right?

4 MR. ANDREWS: Object to the form.

5 THE WITNESS: We would set that money if  
6 there is the possibility of it being that much.

7 Q (By Mr. Engel) Sure. And in -- it keeps  
8 an insurance company afloat, because the insurance  
9 company's making money, but at the same time they  
10 want to kind of keep track of what they could  
11 possibly owe, right?

12 A Again, I'm not in the financial part, but I  
13 would assume that is correct.

14 Q And when you -- do you set these reserves  
15 automatically or do you set them manually?

16 A Some are automatically, but then again, we  
17 can manually change them. And depending on the  
18 severity, we can just estimate an amount just so that  
19 we have that available. And then once we get more  
20 information about the loss, we can raise or lower  
21 those.

22 Q And so is the other thing is when you're  
23 setting these reserve estimates, one of the things  
24 that you're not only including the benefits that are  
25 going to be paid out, but also any expenses you might

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1           Forgive me, I don't know the exact name of  
2   the company, but it was back seven, eight years ago.

3           Q     That's fine. I'd love to do stuff like  
4   that, because I think it's interesting but I never  
5   get invited. I don't think they're going to have me  
6   out there any time soon.

7           But I like to keep track of all that stuff.  
8   The adjuster yesterday told me he went to the Vale  
9   Adjusting School in Arlington, Texas.

10          Have you ever heard of that?

11          A     Uh-huh.

12          Q     It sounds kind of interesting. I thought  
13   that would be fun.

14          Anyway, in short, the duty of good faith  
15   and fair dealing you've defined as treating the  
16   insured fairly and reasonably, right?

17          A     Correct.

18          Q     And this isn't -- this is something that  
19   you were taught in claims adjusting because it's kind  
20   of claim adjusting 101, right?

21          MR. ANDREWS: Object to the form.

22          THE WITNESS: I mean, there's not like a  
23   101. Just from my training, they explained it to us.

24          Q     (By Mr. Engel) Right. That's something  
25   that in the insurance industry, it's -- people know

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1 that they're supposed to do is go to -- we're  
2 reaching out to them to go out there to investigate  
3 on our behalf for the damages and what's the cause of  
4 it.

5 Q (By Mr. Engel) Right. And so it's not  
6 fair for them to only look at one side of the  
7 evidence, right?

8 A They should look at all the evidence that  
9 is provided to them.

10 Q Right. And all the evidence that's readily  
11 available for them to gather, not just evidence that  
12 supports one side, right?

13 A Correct.

14 Q When you hire these experts -- let's use  
15 specifically engineers to stay on point, okay?

16 A Uh-huh.

17 Q When you hire these experts, do you think  
18 it's important that you don't make determinations and  
19 they don't make determinations until you've viewed  
20 all the facts?

21 A Correct.

22 Q Have you ever heard that ambiguity is  
23 construed in favor of the insured?

24 MR. ANDREWS: Object to the form.

25 THE WITNESS: Those exact words, no, I

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1 make.

2 Q How do you know that you had to make  
3 revisions then?

4 A From reviewing the claim again, there is a  
5 note from her indicating that she rejected my  
6 original denial for adding -- or for additional  
7 language. And so after I made that revision, which  
8 there's a note in there saying I made revisions and  
9 resubmitted it to her, which then she approved. And  
10 this is the actual letter that went out.

11 Q Okay. So what was the basis for denying  
12 this claim?

13 A As it indicates in the letter, that it was  
14 determined that the damage caused by settling and  
15 improper construction to the foundation and per the  
16 policy, those things are not covered.

17 Q So you've got improper construction and are  
18 you going to call it soil settling?

19 MR. ANDREWS: Object to the form.

20 THE WITNESS: We called it settling.

21 Q (By Mr. Engel) Okay. Settling. I just  
22 want to use your terminology as we work through this,  
23 okay? Whatever you feel comfortable with as opposed  
24 to what I would normally say.

25 A Okay.

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1           Q     Okay. And then if subsequently they do  
2     that and you're going to deny something based on an  
3     exclusion, then you have to essentially prove that it  
4     was actually the excluded cause of loss that caused  
5     the damage, not the covered cause of loss, right?

6           A     We have to show that -- yeah, that the  
7     damage is or is not related to the loss.

8           Q     Right. And so, you know, the insured  
9     presents something that's covered, let's use hail,  
10    okay? You know, we had hail within the policy  
11    period, looks like we've got some hits on the roof,  
12    we had inch and a half hail.

13                   Then the insured has, you know, put forth  
14    and established their coverage, and if you all are  
15    going to deny that based on an exclusion, then you  
16    have to, perhaps through experts, prove that it's  
17    actually something that's excluded if you're going to  
18    deny it based on an exclusion, right?

19           A     Yes, by whoever we've assigned to go out  
20    there, if it's an expert or a field adjuster or  
21    independent adjuster.

22           Q     And in this -- in this claim, it's your  
23    belief that -- well, in this claim, is there any  
24    dispute that the home has suffered a direct physical  
25    loss?

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1 damages are not earthquake damage, which is not  
2 covered on the policy.

3 Q (By Mr. Engel) Uh-huh. And it's --

4 A Due to exclusion.

5 Q Right. And because it's an exclusion,  
6 that's something that y'all have to prove, right?

7 MR. ANDREWS: Object to the form.

8 THE WITNESS: We have to show that from the  
9 damages that they are not covered under there.

10 MR. ENGEL: Okay.

11 MR. ANDREWS: Can I interject real quick  
12 just to make sure that we're on the same page.  
13 Mr. White Heckman is here today individually. He's  
14 not noticed as a corporate rep. So he's not speaking  
15 for CSAA.

16 You keep referencing "you" and "your." I  
17 assume you're referring to him individually, as  
18 opposed to the company. I just want to make sure  
19 we're clear when we interpret what this transcript  
20 says that when you're referring to "you" and "your,"  
21 you're referring to Mr. White Heckman directly, as  
22 opposed to CSAA.

23 MR. ENGEL: Has anything he's testified to  
24 deviated from CSAA's practices?

25 MR. ANDREWS: I don't know. I'm just



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1 apologize.

2 Q (By Mr. Engel) Let me ask it this way.

3 Let me shorten it up.

4 Do you think it would be fair and  
5 reasonable to your insured to deny a claim without  
6 proving the exclusion?

7 A No.

8 Q Do you see what I'm saying? You can't just  
9 say, well, you made a claim, we didn't go out there,  
10 we didn't prove it, we didn't investigate it, we  
11 didn't prove it at all, therefore, we don't care,  
12 we're still going to deny the claim based on an  
13 exclusion, that wouldn't be fair, would it?

14 MR. ANDREWS: Object to the form.

15 THE WITNESS: Correct. And that's why we  
16 sent an expert to go out to investigate that.

17 Q (By Mr. Engel) Right. And you testified  
18 that you felt that she was able to prove that it was  
19 the exclusion?

20 MR. ANDREWS: Object to the form.

21 THE WITNESS: She proved that it was  
22 earthquake damage.

23 Q (By Mr. Engel) Which -- settling, she  
24 proved that it was settling?

25 A Sorry, I apologize. Yes, thank you, that

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1 it was not -- it was not earthquake damage, sorry.

2 MR. ENGEL: That was my chance to end the  
3 deposition and run.

4 MR. ANDREWS: He's an honest attorney.

5 MR. ENGEL: Yeah, that was my chance to go.  
6 Be like no further questions, we're out of here.

7 Q (By Mr. Engel) She proved, in your mind,  
8 she proved that this was soil settling?

9 A She -- that it was settling and that there  
10 was improper construction workmanship.

11 Q And you're satisfied with her ability to  
12 prove that?

13 A Yes, with her report that she provided with  
14 her photos and -- yeah, from her photos in her  
15 report.

16 Q And kind of we've already kind of covered  
17 that, and what I'm asking you is, do you think it's  
18 the fair and reasonable thing to do is to be able to  
19 prove these exclusions?

20 A Yes.

21 Q Let's talk about this. If you have -- I'm  
22 going to start with -- do you need anything?

23 A I'm good, thank you.

24 Q If you have a loss that is excluded, if  
25 there's direct physical loss to a property that's

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1 there's not any nonrecoverable depreciation applied  
2 to something.

3 Q Okay. Great.

4 A Turnbull. I was looking at the other  
5 adjuster's last name.

6 Q Do you want to -- how do you spell it?

7 A T-u-r-n-b-u-l-l. And it's Rich, R-i-c-h.

8 Q What is this document?

9 A This is all the notes from me or from the  
10 claim on the file.

11 Q Starting with -- will you turn to the first  
12 claim file note?

13 A Uh-huh.

14 Q Who is that claim file note entered by?

15 A Rich Turnbull.

16 Q Okay. So from the onset of this claim, it  
17 was -- even Rich was putting into the claim file note  
18 that they were going to send an engineer out on this  
19 claim, right?

20 A Correct.

21 Q And that's pursuant to CSAA's policies that  
22 they send out these engineers on every claim?

23 A That's the process that we have for  
24 adjusters to -- for earthquakes, to make sure that a  
25 engineer is assigned out.

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1 Q And there was a delay in Ms. Crystal  
2 Smith's filing of this claim, do you recall that?

3 A It was some time after the loss that she  
4 did file a claim, yes.

5 Q And do you remember her citing -- from the  
6 very beginning, she told CSAA why there was a delay.  
7 Do you recall that?

8 A From looking at this or also her deposition  
9 that she didn't think it was that much damage at  
10 first. And that -- then they found more additional  
11 damage and decided to file a claim.

12 Q Right. So they -- initially they weren't  
13 sure that they had enough to meet their deductible,  
14 but then they realized that they've got more  
15 extensive damage, so ultimately, they filed a claim,  
16 right?

17 MR. ANDREWS: Object to the form.

18 THE WITNESS: I don't know about the  
19 deductible, they just said that they couldn't -- the  
20 damage, that they didn't see enough and then they saw  
21 more damage.

22 Q (By Mr. Engel) Okay. Is there any -- are  
23 you aware that you can deny a claim based on delay of  
24 filing the claim?

25 A Yeah.

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1 Q Have you ever done that?

2 A No.

3 Q It's not very common, is it?

4 A No. We want to do a full investigation.

5 Q So was there anything about this delay that  
6 was the basis for denial, ultimately?

7 A No. I mean, that was even in -- I believe  
8 we didn't even include that in our denial, either,  
9 so.

10 Q Right. You don't put it in your denial  
11 letter because it wasn't one of the bases for denying  
12 this claim, right?

13 A On our part, no. I mean, we could --  
14 claims, theoretically -- you could add that language  
15 in there, but we didn't on this.

16 Q Right. Because it wasn't one of your  
17 reasons for denying the claim?

18 A Correct.

19 Q So was there anything in the handling of  
20 this claim where the delay in filing the claim  
21 somehow affected y'all's ability to investigate this  
22 claim?

23 MR. ANDREWS: Object to the form.

24 THE WITNESS: I'm not the one that went out  
25 to inspect the property. I mean, that's the engineer

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1 that's doing that.

2 Q (By Mr. Engel) Right. But did the  
3 engineer ever report back to you that because the  
4 claim was filed later that it somehow affected her  
5 ability to investigate?

6 A In the engineer's report, they did not  
7 indicate that that caused them not to be able to make  
8 their determination.

9 Q Did you ever talk to her on the phone?

10 A When I -- she left a voice mail with me.

11 Q Did she ever say anything about that?

12 A Not that I can recall.

13 Q Is it your understanding that Tim France  
14 with Rimkus Engineering was out there as well?

15 A I didn't know that he was out there.

16 Q Do you know who Tim France is?

17 A From the documentation, looks like it's a  
18 counterpart to her.

19 Q Okay. So let's go up to claim file notes.  
20 It says, "A CCQ was submitted for possible earthquake  
21 damaging the insureds' home. The member has an  
22 earthquake endorsement. The claims should be  
23 referred to a senior." Do you see that on 8/28?

24 A Yes.

25 Q Who is Daniel Holloway?

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1 adjuster.

2 Q (By Mr. Engel) Right. And what she  
3 testified to in her deposition, right?

4 MR. ANDREWS: Object to the form.

5 Q (By Mr. Engel) When they found the  
6 additional damage, that's when they made the claim?

7 A Yes.

8 Q Then when you go to the next page, on  
9 Page 7, the other thing that you know, because we're  
10 reading this, is that there was significant damage to  
11 the living room, right?

12 A Yes.

13 MR. ANDREWS: Object to the form of the  
14 question.

15 MR. ENGEL: I'm sorry, he doesn't like that  
16 question because it sucks and he's right.

17 Q (By Mr. Engel) The other thing you know the  
18 insured is claiming is that there was significant  
19 damage to the living room, right?

20 A Correct.

21 Q Okay. I appreciate the help, Mr. Andrews.  
22 That's a better question.

23 Now, when you go to -- just above that is  
24 when it gets referred to you, right, so 8-28-2017, do  
25 you see that?

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1 bottom of that, you're just kind of reiterating some  
2 of this stuff that someone else already touched on,  
3 which is Rich, right?

4 A Correct.

5 Q Okay. Now, moving up to the next one on  
6 Page 6. So it looks like you called Mr. and  
7 Mrs. Smith to introduce yourself as the OA. What's  
8 OA?

9 A Owning adjuster.

10 Q And to go over the claims process, right?

11 A Yes.

12 Q You explained the claims process, which we  
13 discussed earlier about getting out there and  
14 investigating the claim and then making a  
15 determination, right?

16 A Correct. And going over there, yes, yes.

17 Q And the next thing you said is you're going  
18 to set up with an engineer, right?

19 A Yes.

20 Q Which is what you guys always do on these  
21 earthquake claims, right?

22 A Correct.

23 Q And you explained to them that they have a  
24 deductible of \$6,000 on earthquake claims, right?

25 A Yes, \$6,711.05.



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1 Q Then they say that they've had ceiling  
2 tiles that fell in the bathroom, the son's bedroom  
3 and the living room, right?

4 A Correct.

5 Q She also says that there are cracks along  
6 the wall in her son's bedroom and then her wall in  
7 the living room is leaning, right?

8 A Correct.

9 Q Okay. And then your next call, which looks  
10 like it's immediately after this call is to Rimkus  
11 Engineering?

12 A Correct.

13 Q So everything from this 8-28-2017 at 1:46  
14 p.m. and earlier in the claim, when you were  
15 referring to the claims of the insured as one of the  
16 things that you had as evidence to -- in the claim,  
17 that's what you're referring to?

18 A Say that again, I'm sorry.

19 Q I'm sorry, it's a bad question. And I  
20 appreciate you asking me to clarify.

21 Earlier we talked about you had the  
22 engineering report and the statements from the  
23 insured, right?

24 A Correct.

25 Q Okay. And everything that I've just given

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1 can't remember, because I didn't have to use  
2 engineers all the time, so.

3 Q Okay. Right. So you've got -- I'm trying  
4 to understand how this works. You've got -- but  
5 there's more engineering firms in Oklahoma than that,  
6 right? You've got 100, 200, however many engineering  
7 firms in Oklahoma, but your list has four on it.

8 And so these four engineering firms are  
9 firms that y'all have kind of preapproved to do this  
10 type of work, right?

11 MR. ANDREWS: Object to the form.

12 THE WITNESS: Not preapproved to do that.  
13 We just know that they are available in that -- this  
14 state. And again, we just have a list of, you know,  
15 some that we know that aren't in this state or that  
16 are available, so we just -- I don't have a full list  
17 of every single engineer in the state.

18 Q (By Mr. Engel) What qualifies them to get  
19 on to the list of four?

20 A There was no qualification on it. I was --  
21 when I was in that position, they -- I was shown that  
22 there was just listed, here's some engineers that we  
23 have names. I'm not required to use them, but it was  
24 just names that were on there because there are  
25 states that maybe none of them were even are

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1 available, but they're not there, so then that's  
2 where we'd have to, you know, search, you know, speak  
3 with maybe a field adjuster that's in that state that  
4 knows of an engineering group or that can state some  
5 names so we can reach out to one of them to see.

6 Q In Oklahoma, have you used anyone besides  
7 the four?

8 A For what?

9 Q An investigation.

10 You know they're available in Oklahoma, so  
11 you would never pick up the phone book and look one  
12 up, would you, you would just use one of the four?

13 A I mean, I don't recall or I don't know any  
14 other names that I've used anyone else.

15 Q What about this list that was compiled, I  
16 was asking you if those were like -- they're approved  
17 to investigate your claims, right?

18 A It's just names of engineers that like,  
19 again, that the -- it was just a piece of paper just  
20 named some engineers.

21 Q What's the criteria for how those firms got  
22 on the list?

23 A I don't know.

24 Q Those -- when you moved to -- did you ever  
25 see that list prior to working as a senior

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1 consultant?

2 A No.

3 Q Did you ever hire engineers prior to being  
4 a senior consultant? Have you ever thought about it?

5 A I think maybe like one or two other claims  
6 maybe.

7 Q Okay. Well, let me ask you this. Is it  
8 safe to say that when you moved to senior consultant,  
9 you were hiring engineers more frequently; is that  
10 accurate?

11 A Yes.

12 Q You're also dealing with more complex  
13 claims, right?

14 A Correct.

15 Q You're dealing with claims with public  
16 adjusters and attorneys, right?

17 A Correct.

18 Q This list of the four engineering companies  
19 that CSAA will use is something that was provided to  
20 you when you took your senior adjuster position; is  
21 that accurate?

22 A By the group of senior adjusters, and they  
23 are just a list that they're like, hey, these are  
24 some that we know are in these areas. And then they  
25 also -- then they had those marks on there, so that

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1     ahold of you about 30 minutes later at 1:49?

2           A     That says it's a voice mail.

3           Q     And her voice mail at that point in time  
4     explained it would take her a week to write up the  
5     report, right?

6           A     Correct.

7           Q     It looks like from -- at that point she  
8     already knew that it was going to be her conclusion  
9     that no earthquake damage had occurred at the home,  
10    right?

11                   MR. ANDREWS: Object to the form.

12                   THE WITNESS: From her voice mail indicated  
13    to me she said that there was -- from my notes saying  
14    that no earthquake damage.

15           Q     (By Mr. Engel) She had already determined  
16    that it was only settlement and construction defects,  
17    right?

18           A     I can't assume with what -- on that here,  
19    she just left me a voice mail indicating that she  
20    said there was no earthquake damage.

21           Q     Okay. Well, I don't want you to tell me  
22    what she was thinking at the time. That's what she  
23    was telling you via voice mail at that time?

24           A     Yes.

25           Q     On the same day as the earthquake, right?

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1 Crystal Smith and she wanted to know who you sent  
2 out, right?

3 A Yes.

4 Q And you told her that you sent out Lisa  
5 Holiday with Rimkus Engineering?

6 A Rimkus Consulting, yes.

7 Q And then later you received a bill from  
8 Rimkus for \$3,173.16, right?

9 A Correct.

10 Q And that's this claim --

11 A Correct.

12 Q -- in a nutshell, we just covered it  
13 beginning to end over the past 40 minutes, right?

14 A Yes.

15 Q Okay. Is there anything in this claim file  
16 that's missing?

17 A No.

18 Q Was there anything that you stood out with,  
19 oh, man, we didn't put that in the claim file or  
20 that's recently been removed from the claim file?

21 A I can't remove from the notes or anything  
22 once they're inputted in, but, no, nothing's missing.

23 Q Do you think -- what is this claim software  
24 that you're putting this stuff into?

25 A CAS.

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1 Q Nothing stands out, there weren't any  
2 meetings or anything like that on this claim that  
3 don't have -- that didn't occur in the claim file  
4 notes?

5 A No.

6 Q These engineers that you were hiring, that  
7 list of four, do you hire those same engineers for  
8 hail losses if you have questions?

9 A Well, I'm not in that position anymore, but  
10 at that time, no, not -- we -- there's other people  
11 that are on that list that we don't -- that are not  
12 on that list that we would use.

13 Q I mean, what I'm asking is like those list  
14 of four engineering companies, are those just for  
15 earthquakes?

16 A No.

17 Q Okay. So you use those if you have fire  
18 loss issues or if you have hail issues, too, right?

19 A Yeah, anything that we would need an  
20 engineer to go out on.

21 But like I said, there's other ones like  
22 specific for hail that I know right off the top of my  
23 head there's another one we use that's not on that  
24 list.

25 Q Who?

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1 Q Do you believe that hiring competent  
2 engineers is the fair thing to do to your insured?

3 MR. ANDREWS: Object to the form.

4 THE WITNESS: I assume that every engineer  
5 company is competent.

6 Q (By Mr. Engel) Really? I mean, like what  
7 if you hired an engineer that only dealt with fires  
8 and you sent them to an earthquake loss?

9 A Well, I would assume that when I tell them  
10 it's for an earthquake and they say we don't handle  
11 earthquake, then I'm not going to use -- that they're  
12 telling me up front and I would not use them.

13 Again, that's why we go back to depending  
14 on the scenario and the situation, we aren't using  
15 the exact same engineer, either, we're trying -- it  
16 depends on the type of loss and where it's at.

17 Q Right, but the fair thing to do is to hire  
18 engineers that are competent, right?

19 A Yes.

20 Q Do you believe that the reasonable and fair  
21 thing to do is to hire engineers that are unbiased?

22 A Yes.

23 Q It wouldn't be fair to your insured if you  
24 hired an engineer that produced reports in favor of  
25 insurance companies, is it?



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1           A     It would not.

2           Q     So that would essentially be cheating the  
3     insured, right?

4           MR. ANDREWS: Object to the form.

5           THE WITNESS: Yeah, we do not want to  
6     use -- we want a fair and reasonable report and  
7     investigating of the claim. You know, we weren't --  
8     if we see something that's inaccurate from the  
9     documentation that they submitted to us, for example,  
10    like not doing anything at all, like you explained,  
11    if they said we don't handle earthquakes at all,  
12    we're fire, then we're going to look -- we're not  
13    going to say, tough luck, we want you to go out  
14    there. We're going to make sure we find someone  
15    that's capable to investigate for us.

16          Q     (By Mr. Engel) Right. And then they  
17    perform a thorough investigation, right?

18          A     Correct.

19          Q     And that's the fair and reasonable thing to  
20    do, right?

21          A     Yes.

22          Q     Did she provide you -- I'm sorry, did --  
23    it's actually Dr. Holiday, did you know that?

24          A     No.

25          Q     Dr. Holiday has her PhD from the University

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1 of Oklahoma.

2 Did she provide you with any evidence from  
3 the scene that was not in her earthquake report,  
4 whether that was soil samples or moisture readings?

5 A No, she provided me her -- what I received  
6 from her was the report with the photos attached.

7 Q Do you believe that she had enough evidence  
8 to support her conclusions?

9 MR. ANDREWS: Object to the form.

10 THE WITNESS: I mean, I'm not an engineer  
11 on that, but from the documentation she submitted to  
12 me, her -- from her point of view on that, she  
13 provided everything that made her confident in making  
14 her decision.

15 Q (By Mr. Engel) At the time, was CSAA  
16 satisfied with her investigation?

17 A Yes.

18 Q You know, and to that extent, is there a  
19 need for anyone to send out another engineer to  
20 perform additional tasks?

21 A If the insured doesn't agree with the  
22 report, they're more than welcome to get their own  
23 engineer out there and we're more than happy to  
24 review it.

25 Q Right. But CSAA, does CSAA have a reason

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1 caused by it. I thought it was a thorough  
2 investigation.

3 Q Is there any reason for CSAA to send  
4 another engineer out there to perform additional  
5 tasks?

6 A No.

7 Q Okay. Let's look at the engineering  
8 report.

9 A Okay.

10 MR. ENGEL: Mr. Andrews, will you provide  
11 me that number, please?

12 MR. ANDREWS: Exhibit 3.

13 (Exhibit Numbers 3 and 5 marked for  
14 identification purposes and made part of  
15 the record.)

16 MR. ENGEL: What Bates stamps have you got  
17 over there?

18 MR. ANDREWS: 0076 through 0092. This was  
19 actually your exhibit that you submitted early on, so  
20 it should be the same.

21 MR. ENGEL: 92?

22 MR. ANDREWS: 76 through 92.

23 MR. ENGEL: Was I showing that to Lisa  
24 Holiday?

25 MR. ANDREWS: Do what?

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1 21, 22 and 23 are the bathroom cracks, right?

2 A Correct.

3 Q Am I going too fast for you?

4 A No, I'm seeing it.

5 Q Okay. She provides you with a floor  
6 drawing on 101. And a shape map. Did she provide  
7 you with any other documentation?

8 A No, this would have been the full report.

9 Q Okay. She didn't provide you with any  
10 other photographs?

11 A There was the -- well, these back here  
12 that -- this was provided to me as well, the shape  
13 map.

14 Q And her opinion is that the soil settled on  
15 this house, but what evidence did she use to support  
16 that?

17 MR. ANDREWS: Object to the form.

18 THE WITNESS: I don't know all of her  
19 process that she did on that. I wasn't there and I'm  
20 not the engineer.

21 Q (By Mr. Engel) Okay. So -- and that's  
22 what I'm getting at is she doesn't know what kind of  
23 soil's under this house, does she?

24 MR. ANDREWS: Object to the form.

25 THE WITNESS: I don't know.

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1 Q (By Mr. Engel) Because she didn't put it  
2 in her report.

3 A As far as the specifics of the soil, I do  
4 not have that, no.

5 Q So, and you don't have how much moisture  
6 was in the ground if the moisture was measured,  
7 right?

8 A I do not have that, no.

9 Q Okay. So you're kind of -- you're not  
10 going to test her -- these aren't questions that you  
11 considered, hey, I don't think you did a thorough  
12 enough investigation, right?

13 A No.

14 Q If she's looking for damage to the  
15 structure, right?

16 A Yes.

17 Q And when she's looking for structural  
18 damage, don't you think she should be looking at the  
19 components of the home?

20 A Again, I'm not an engineer, so I don't know  
21 all her process that needs to take place. I can't  
22 tell -- don't know her procedures.

23 Q Well, you wouldn't look for electrical  
24 under the kitchen sink, right?

25 A You might, depending on the situation.

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1           A     Well, I mean, there is the floor, your  
2     subfloor, there's your flooring, there's your pier  
3     and beams.

4           Q     Those aren't structural components, though.

5           A     You just said flooring.

6           Q     Right. But if you're going to look at the  
7     floor structure or the foundation.

8           A     Yes, then you look -- like you ask the  
9     pier, beam, you look at those, yes.

10          Q     You would have to look in the crawl space  
11     of the piers and beams if you're going to look at the  
12     foundation on this home?

13          A     If that's where they're at, yes, you look  
14     at those to see them.

15          Q     So if you were going to structurally  
16     investigate the floor foundation, you would have to  
17     look in the crawl space?

18                   MR. ANDREWS: Object to the form.

19                   THE WITNESS: If there's a crawl space  
20     available and that's where they're at, yes.

21          Q     (By Mr. Engel) The other thing is if  
22     you're going to look at the wall structures, in order  
23     to view wall structures, the drywall is not the  
24     structure of the wall, right?

25          A     No.

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1 A Not in the report, no.

2 Q Does she have photographs of the attic?

3 A No.

4 Q Did she go into the crawl space?

5 A The report -- I don't know from --  
6 indicating from the report.

7 Q In the report it doesn't say that she went  
8 in the crawl space, does it?

9 A No.

10 Q Does she have photographs of the crawl  
11 space?

12 A No.

13 Q So if she doesn't look at the roofing  
14 structure, right?

15 MR. ANDREWS: Object to the form.

16 Q (By Mr. Engel) I'm sorry, according to the  
17 report that she provided you, it doesn't appear that  
18 she looked at the roofing structure, right?

19 MR. ANDREWS: Object to the form.

20 THE WITNESS: From the report does not  
21 indicate that she did that, no.

22 Q (By Mr. Engel) From the report that she  
23 provided you, does it in anywhere indicate that she  
24 looked at the floor structure?

25 A In her notes I do not see where -- no.

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1 Q What about the wall structure, did she have  
2 any comments about the wall structure or the studs?

3 A No.

4 Q Did she have any photographs of structural  
5 components of the wall?

6 A No, not of the wall -- of the framing, no.

7 Q Now, one of the other things that she said  
8 is she says that the soil --

9 A What page is this on?

10 Q Oh, I'm sorry, Page 6, Page 6 of the  
11 report.

12 On Page 6 of the report she's referring to  
13 her USDA map. It's at the bottom, sir.

14 A Okay.

15 Q At the USDA map, she's saying that she's  
16 looking at the map and the map determined that, you  
17 know, the soil that could potentially be under this  
18 home could shrink or expand due to changes in the  
19 moisture content, do you see that?

20 A Yes.

21 Q Do you know anything about soils?

22 A No.

23 Q Do you know anything about the USDA map?

24 A No.

25 Q Do you know if the USDA map is accurate?



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1 A I do not know.

2 Q Do you know if the USDA map has disclaimers  
3 that say that if you're going to make an engineering  
4 determination, you have to have disclaimers?

5 A I do not know.

6 Q Did she ever tell you what type of soil's  
7 under the house, other than the use of this map?

8 A I do not believe so, no.

9 Q And it says that -- there seems to be some  
10 sort of issue with changes in the moisture content,  
11 but does this thing ever tell you how much moisture  
12 is in the ground?

13 A Does not.

14 Q Okay. The other thing I was going to tell  
15 you is remember when we were talking about earlier  
16 the things that you had to deny this claim, to make  
17 that determination, do you remember that  
18 conversation?

19 A Yes.

20 Q Okay. One of the things that you had was  
21 the statements by the insured, which are recorded in  
22 the claim file notes, right?

23 A Yes.

24 Q And don't feel like you have to look at  
25 them, but, you know, you can if you want. I just

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1 want to go ahead and talk about what you knew. The  
2 first thing is that they discovered damage in the  
3 son's room, right?

4 A Yes.

5 Q And that's on Page 8 of the claim file  
6 notes. In Page 7 it says and you testified to that  
7 the insured was telling Rich there was significant  
8 damage in the living room, right?

9 A That was her statement -- or that's what  
10 Rich put in the note, yes.

11 Q Because that's what the insured told Rich?

12 A I don't --

13 MR. ANDREWS: Where are you at?

14 THE WITNESS: I didn't have that  
15 conversation, so I don't know.

16 MR. ENGEL: I'm sorry, the bottom of Page  
17 7. Right there.

18 THE WITNESS: I wasn't part of those  
19 conversations, so I don't know what was said to one  
20 another. I could just go off of what was put in the  
21 note.

22 Q (By Mr. Engel) Well, did you know that the  
23 insured was claiming there was damage in the --  
24 significant damage in the living room?

25 A Yes, from the note that she was claiming

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1 that, yes.

2 Q Right. But then again on Page 6, the next  
3 page, the bottom one, she told you there was damage  
4 in the living room.

5 A Yes.

6 Q Do you see that?

7 A Yes.

8 Q And there's a wall in her living room  
9 that's leaning?

10 A Yes.

11 Q So what you knew is two things, initially  
12 you knew what the insured told you. And then at the  
13 end, you had the engineering report, right?

14 A Yes.

15 Q Okay. And then going back to the  
16 engineering report, is the word -- at any point in  
17 time, does Lisa Holiday address the living room?

18 MR. ENGEL: How much time, ma'am?

19 COURT REPORTER: 5:12.

20 MR. ENGEL: Let's go off the record for a  
21 second.

22 (Discussion off the record.)

23 THE WITNESS: It doesn't specifically say  
24 the living room.

25 Q (By Mr. Engel) Does it ever mention the

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1 living room?

2 A No.

3 Q You know the insured was claiming damage to  
4 the living room, right?

5 A Yes.

6 Q And, in fact, one of the things that Rich  
7 put in the claim file notes is that there was  
8 significant damage to the home in the living room,  
9 right?

10 A Correct.

11 Q But her report doesn't mention living room,  
12 does it?

13 A Specifically living room, no.

14 Q Does it -- are there any photographs taken  
15 in the 23 photographs that she provided you of the  
16 living room?

17 A No.

18 Q Were you aware that two of the beams that  
19 support the floor in the living room had collapsed?

20 MR. ANDREWS: Object to the form.

21 THE WITNESS: I've never been provided that  
22 information.

23 Q (By Mr. Engel) So, and I understand that  
24 you were only provided what was in this report,  
25 right?

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1 it's not something that they can then write a counter  
2 letter to, right?

3 A They could respond back and ask for  
4 additional information, which the denial letter talks  
5 about, if they either disagree, have questions,  
6 they're more than welcome to reach out to us about  
7 and then do follow up or provide additional  
8 documentation that would go against with what our  
9 reporting came back with.

10 And that was never done, all that happened  
11 was she called in and asking who the engineer was.  
12 There was nothing else that was brought up by her.

13 Q Do you think it's fair that when you're  
14 sending these denial letters based on the expert's  
15 opinion that you provide the insured a copy of the  
16 report?

17 MR. ANDREWS: Object to the form.

18 THE WITNESS: Can you say that -- is it my  
19 opinion or say that -- your question again.

20 MR. ENGEL: Can you read that, ma'am?

21 COURT REPORTER: "Do you think it's fair  
22 that when you're sending these denial letters based  
23 on the expert's opinion that you provide the insured  
24 a copy of the report?"

25 MR. ANDREWS: Same objection.

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1 THE WITNESS: I don't think it's -- it  
2 matters of sending that as we did our investigation  
3 on that, and they're requesting us to investigate to  
4 see if there's coverage or not and that's what we  
5 did.

6 Now, again, if they requested, we are more  
7 than happy to provide that, but that's not our  
8 standard practice to give them the full report. We  
9 did our investigation and we are giving them a  
10 response back saying that this is not covered, the  
11 policy states this. If they have questions, reach  
12 out to us.

13 And then if they did reach out to us and  
14 ask for that documentation, we are more than happy to  
15 provide them, for example, the copy of Lisa's report.

16 Q (By Mr. Engel) But it is -- and I'm sorry,  
17 I don't think I understood this at first, but it is  
18 CSAA's policy to not provide copies of the  
19 engineering reports unless requested?

20 A It's not a policy to state -- give it or  
21 not give it, we just don't provide it. We provide --  
22 what we are required to give the insured is a denial  
23 letter explaining that what we're doing and that's  
24 what we've done is we've explained we are not  
25 covering this loss because of this reason, in the

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1 policy it states this and that's what we're providing  
2 to them.

3 Now, if they request for additional  
4 something else, such as if they wanted photos or if  
5 they wanted the engineer report, we're more than  
6 happy to provide that. Some things we may not  
7 provide them, but we would be more than happy to  
8 provide them those documentation.

9 Q But you're only going to provide the  
10 engineering report like this one upon request, right?

11 A Correct.

12 Q Do you know where the Smiths were during  
13 the earthquake?

14 A I do not.

15 Q What if I told you the Smiths were in their  
16 living room when they saw the floor and wall  
17 collapse, would that change your opinion on Lisa  
18 Holiday's report?

19 MR. ANDREWS: Object to the form.

20 THE WITNESS: The wall did not collapse on  
21 them.

22 Q (By Mr. Engel) The wall bow and then lean.

23 A Okay.

24 MR. ANDREWS: Object to the form.

25 THE WITNESS: I did not know that they were

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1 A I don't know their process.

2 Q I want to talk about destructive  
3 investigation just briefly. Do you know what  
4 destructive investigation is?

5 A No.

6 Q The process of looking behind drywall and  
7 that kind of thing to see structural members, are you  
8 familiar with that?

9 A Okay. Yes.

10 Q Have you done some of that in claims?

11 A I haven't because I don't go out to the  
12 property to do that work.

13 Q Have you worked claims where that occurred?

14 A Yes.

15 Q Was that an engineer that requested to look  
16 behind the walls?

17 A I don't recall if it was the engineer or  
18 the insured's contractor that requested that, as it  
19 was not the engineer who did it, either, it was the  
20 insured's contractor who actually disassembled it for  
21 us to look at. But I don't know -- I do not recall  
22 if it was the engineer or the contractor that  
23 requested that specifically.

24 Q This isn't a foreign concept in insurance  
25 claims, right? You've got to access and view damage,



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1 right?

2 A Sometimes, yes.

3 Q And in order to access and view damage,  
4 sometimes you have got to tear some stuff up, right?

5 MR. ANDREWS: Object to the form.

6 THE WITNESS: Potentially, yes.

7 Q (By Mr. Engel) Whether you're going to cut  
8 a hole in a ceiling, right?

9 A Again, that depends on who's going out  
10 there, if they need that to be done or not, because  
11 I -- again, I'm not the one that goes out there.

12 Q Right. It's situational. And I'm just  
13 saying if you've got to look at damage, there are  
14 instances in the insurance claim world where you've  
15 got to, you know, tear off a wall, right?

16 A Yes.

17 Q Or you have to perform some sort of  
18 destructive investigation, right?

19 A Yes.

20 Q You're not going to testify that, oh,  
21 that's something I've never even heard of, insurance  
22 companies never do that, we never do that in  
23 insurance claims handling, it's just unheard of;  
24 you're not going to testify to anything like that,  
25 are you?

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1 A No.

2 Q Because that's something you've seen  
3 before, right?

4 A In photos, yes.

5 Q Have you ever heard of someone cutting  
6 holes in the floor to look into the crawl space?

7 A Yes.

8 Q You've had another claim where that  
9 happened?

10 A I can't recall any of my claims that  
11 they've had to do that, no.

12 Q But you've heard that before?

13 A Yes.

14 Q Do you know if anyone from CSAA has ever  
15 set foot into the Smith house?

16 A Not that I'm aware of.

17 Q Do you know if anyone from CSAA has ever  
18 shaken Mr. Smith's hand?

19 A Not that I'm aware of.

20 Q If Mr. and Mrs. Smith walked into this room  
21 right now, would you know who they were?

22 A No, I would not.

23 Q Do you think anyone in the CSAA claims  
24 department would?

25 A I don't know.

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1 have been there, yes.

2 Q Right. And same thing with the settling  
3 damage that she -- the damage that she attributes to  
4 settling, right, she's claiming that's a preexisting  
5 condition?

6 A Correct.

7 Q Do you know when that specific damage  
8 occurred?

9 A No, I do not.

10 Q Do you know if it occurred at the same time  
11 as the earthquake?

12 A I do not know.

13 Q Do you know if it happened after the  
14 earthquake?

15 A I don't know.

16 Q But in any event, it's a preexisting  
17 condition, exclusion, denial, right?

18 A Correct. That, and we just don't cover  
19 those type of -- we don't cover settling or improper  
20 construction, no matter the time frame with that.

21 Q Well, for example, the cracks in the back  
22 bedroom, okay, she attributes those as caused by  
23 construction defect, right?

24 A The -- yes, yes, in the son's bedroom, yes.

25 Q On the slab, right?

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1 A Yes, due to the addition that was built.

2 Q Okay. Do you know whether those occurred  
3 before the earthquake?

4 A I don't know.

5 Q Do you know if they occurred at the same  
6 time as the earthquake?

7 A I don't know.

8 Q Do you know if it occurred after the  
9 earthquake?

10 A I don't know.

11 Q Okay. And I want to shift gears here. Do  
12 you feel that it's -- and we've already discussed  
13 this, but as an adjuster, the Oklahoma Insurance  
14 Department regulates your license, right?

15 A Yeah, they review to make sure that I am  
16 staying up with my continuing education, every two  
17 years I have to follow up, I have to renew, make sure  
18 that, you know, I meet the requirements to have a  
19 license.

20 Q And if you are a bad actor, then you can be  
21 punished by the Oklahoma Insurance Department?

22 A Yes, they can review my -- and essentially  
23 revoke my license.

24 Q Sure. And it's the same thing with me,  
25 Mr. Andrews, we're governed by the Oklahoma Bar

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1 A As long as they have the coverage, yes.

2 Q Right. If you've got frac'ing earthquakes,  
3 it's covered, right?

4 A Yes, because we do not know -- we cannot  
5 determine if it was related to the frac'ing or not.

6 Q Right.

7 A We just know if it's an earthquake.

8 Q Which makes me wish I could run into some  
9 of these manmade exclusion denials. Unfortunately, I  
10 haven't seen any of those. I don't think anyone is  
11 gutsy enough to sell those types of policies. If you  
12 see any of that, will you let me know? Probably not.

13 A I'm staying quiet.

14 Q If you go to Page 2 and it says  
15 "preexisting damage."

16 Now, this does apply because as we  
17 discussed earlier, the two denials that you denied  
18 the Smith claim was based on preexisting damage; is  
19 that correct?

20 MR. ANDREWS: Object to the form.

21 THE WITNESS: It was due to settling and  
22 improper -- the proper language. Improper  
23 construction to the foundation.

24 Q (By Mr. Engel) Right. Which are  
25 preexisting condition exclusions, right?

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1           A     Well, we're denying settlement, that's what  
2     we're denying, settling.

3           Q     Right. You're saying that that house had  
4     settled prior to the earthquake?

5           A     As far as the time frame, I'm not aware, we  
6     are denying the damage that we saw that was due to  
7     settling.

8           Q     When do you think the house settled?

9           A     I do not know.

10          Q     I want to walk -- do you disagree that this  
11     is a preexisting damage denial when you say --

12          A     I mean --

13               MR. ANDREWS: Object to the form.

14          Q     (By Mr. Engel) Do you disagree that this  
15     is a -- strike that.

16               Let me get a good question out for you.

17               Is it going to be your testimony to the  
18     ladies and gentlemen of the jury that your denials,  
19     both of them, are not preexisting condition denials?

20          A     Well, it's preexisting to our inspection  
21     that we know that it was there prior, but we're  
22     denying for settling, improper construction, we're  
23     not denying for it being preexisting or not. But we  
24     know it was preexisting because it was there prior  
25     our inspection.

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2     we're denying, settling.

3           Q     Right. You're saying that that house had  
4     settled prior to the earthquake?

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6     are denying the damage that we saw that was due to  
7     settling.

8           Q     When do you think the house settled?

9           A     I do not know.

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11     is a preexisting damage denial when you say --

12          A     I mean --

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18     ladies and gentlemen of the jury that your denials,  
19     both of them, are not preexisting condition denials?

20          A     Well, it's preexisting to our inspection  
21     that we know that it was there prior, but we're  
22     denying for settling, improper construction, we're  
23     not denying for it being preexisting or not. But we  
24     know it was preexisting because it was there prior  
25     our inspection.

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1           Q     Right. I want to walk you -- and what I  
2     want to know is if you consider those a preexisting  
3     condition?

4           A     These denials?

5           Q     The denials. Are the denials based on a  
6     preexisting condition?

7           A     I would say, yes, because there has to be  
8     damage for us to see it to say, hey, this damage, if  
9     there was nothing preexisting, there would be nothing  
10    to deny on it.

11          Q     Right. And that's what I was discussing  
12    earlier that those two denials are preexisting damage  
13    denials, right?

14               MR. ANDREWS: Object to the form.

15          Q     (By Mr. Engel) What about wear and tear or  
16    mechanical damage? Wear and tear and mechanical  
17    damage on a roof, those are preexisting conditions,  
18    right?

19          A     Correct.

20          Q     And so just like that, this exclusion is a  
21    preexisting condition denial?

22               MR. ANDREWS: Object to the form.

23               THE WITNESS: I would agree that it was  
24    preexisting on that, I would agree the damage was  
25    preexisting to us inspecting it.



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1 was it?

2 A No.

3 Q Okay. Your denial is not based on policy  
4 period, is it?

5 A No.

6 Q "To help protect themselves from fraudulent  
7 claims, insureds have a right to inspect the property  
8 as often as required to ascertain the condition of  
9 the property."

10 Do you see that?

11 A Yes, I do.

12 Q Earlier we were talking about that is the  
13 insurance company, whether it's at renewal,  
14 application, can go through and take photographs or  
15 inspect a home, they can fill out a report, they can  
16 do any of that stuff, right?

17 A Correct.

18 Q And here -- do you know who John Doak is?

19 A The commissioner -- what --

20 Q The Oklahoma Insurance Commissioner.

21 A Yes. Yeah.

22 Q Here John Doak is saying -- and by the way,  
23 on the -- here, John Doak, which is who it says it's  
24 from on the first page, Oklahoma Insurance  
25 Commissioner John Doak is telling you that insurance

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1 companies have a right to inspect the property as  
2 often as required to ascertain the property  
3 condition, right?

4 A Yes, that's what it says there.

5 Q Not just at policy renewal, but any time  
6 you want. That's what John Doak's saying, right?

7 A Yes.

8 Q Okay. Next part. "In the case of frequent  
9 potential loss events, which may or may not result in  
10 a loss, it is important that the insurer know the  
11 condition of the insured property at the inception of  
12 coverage and remain cognizant of any damage that may  
13 have occurred during the policy period. In addition,  
14 since earthquake policies have a 'single covered  
15 event clause' maintaining current knowledge of the  
16 insured property is essential to the proper  
17 application of deductibles."

18 Did I read that accurately?

19 A Yes.

20 Q Did I try to read it accurately?

21 A Yes.

22 Q Okay. If --

23 MR. ENGEL: Can we go off the record one  
24 sec?

25 MR. ANDREWS: Yeah.

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1 (Discussion off the record.)

2 Q (By Mr. Engel) Did I try to read it  
3 accurately?

4 A Yes.

5 Q Now, you understand the single covered  
6 event clause?

7 A That -- can't put multiple things together  
8 and it's just one event is one thing.

9 Q Right.

10 A You can't put them all together.

11 Q If your roof gets hailed on a few times or  
12 you take damage from consecutive events, you've got  
13 multiple deductibles, right?

14 A Correct.

15 Q Okay. And what he's saying here is it's  
16 important for insurance companies to understand the  
17 condition of the insured property at the inception of  
18 coverage, right?

19 A Uh-huh.

20 Q And remain cognizant of any damage that may  
21 have occurred during the policy period. Do you see  
22 that's what he's trying to say?

23 A Yes.

24 Q Do you agree that it's important for  
25 insurance companies to know the condition of the

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1 property at the inception of coverage and remain  
2 cognizant of any damage that may have occurred during  
3 the policy period?

4 A Yes, but it's also important for the  
5 insured to also notify us of anything, as well.

6 Q Sure.

7 A Because that helps with us knowing the  
8 condition of the property, too.

9 Q Right. But you also agree that this is  
10 stuff that you guys should maintain current knowledge  
11 of the insured property is essentially for proper  
12 application of deductibles, right?

13 A Yes.

14 Q You're not going to disagree with John Doak  
15 on that, are you?

16 A No.

17 Q Because you're under oath and this is going  
18 to be public record possibly, so I want to make sure  
19 that you understand that, as well, but John Doak's  
20 saying, listen, inspect -- the first paragraph says,  
21 listen, you guys have a right to inspect it as much  
22 as you want, you need to be inspecting the  
23 properties, right?

24 A Uh-huh.

25 Q Do you agree that that's important?

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1 A Yeah.

2 Q And the second part he's saying it's  
3 important that you know the condition at the issuance  
4 of the policy or inception of the coverage, right?

5 A Yes.

6 Q Do you agree that that's important?

7 A Yeah.

8 Q And then he says it's also important you  
9 remain cognizant of damage that may have occurred  
10 within the policy period, right?

11 A Uh-huh.

12 Q Do you agree that that's important?

13 A Yes.

14 Q The next paragraph says, "As commissioner,  
15 I have an obligation to enforce the insurance laws."  
16 Do you agree with that statement?

17 A Yes, since he's the commissioner, yeah,  
18 uh-huh.

19 Q "Part of that responsibility is monitoring  
20 claims practices to determine whether insurers are  
21 employing fair claims practices and otherwise acting  
22 in conformity with the terms of their policies."

23 Do you agree that the insurance  
24 commissioner ensures that you're employing fair  
25 claims practices?

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1 A He sets in place for that, yes.

2 Q So he kind of governs these types of  
3 things, doesn't he?

4 A Yes.

5 Q And he's able to provide directives to  
6 insurance companies, isn't he?

7 A Yes.

8 Q And he's kind of doing that here, isn't he?

9 A Yes.

10 Q I'm going to continue reading. "If an  
11 insurer intends to deny a claim asserting preexisting  
12 damage, I expect the insurer has inspected the  
13 property prior to the inception of coverage and  
14 maintained reasonably current information as to the  
15 condition of the insured property prior to loss."

16 Did I read that accurately?

17 A Uh-huh.

18 Q My question is at any point in time did you  
19 understand the condition of the insured property  
20 prior to the earthquake date of loss?

21 A I, myself, did not, no.

22 Q Do you know if Lisa Holiday at any point in  
23 time knew the condition of the home prior to the  
24 earthquake?

25 A I do not, no.

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1           Q     Do you -- that's not reflected anywhere in  
2 her report, is it?

3           A     Not that I'm aware of, no.

4           Q     The other thing it says in here is that --  
5 well, you said that you didn't understand the  
6 condition prior to the loss, but do you even know if  
7 the company has photographs or pictures or inspection  
8 notes relating to this property?

9           A     I don't know, I would have to go into the  
10 underwriting documents and see if it's there. It's  
11 not guaranteed.

12          Q     And if -- and I was asking you if you knew  
13 those things, but my next question is different is at  
14 the time you were handling this claim, did you look  
15 into or investigate any of those things?

16          A     I did not, no. Another reason why I  
17 wouldn't have looked into that, either, because  
18 sometimes we do look to see if there's anything  
19 preexisting is because her report, she was able to  
20 make a determination and she had no questions.

21                   If she was questioning herself and even  
22 reached out to us, said, hey, I need more -- I am not  
23 sure, then I would have tried to find something, if  
24 we had any photos or anything.

25                   But because her report, she made a -- she